

IT'S A FACT: 529 Myths Revealed

It's important to distinguish fact from fiction when considering a 529 plan to save towards a loved ones' college education. Discover why CollegeChoice CD 529 Savings Plan just may be a good fit.



MYTH 1. 529 PLANS ARE NOT FDIC INSURED.

FACT: CollegeChoice CD offers three principal-protected FDIC-insured¹ (up to \$250,000 for accounts held in the same right and capacity) stable CD options.

MYTH 2. IT'S EXPENSIVE TO OPEN AND MAINTAIN AN ACCOUNT.

FACT: You can open an CollegeChoice CD account with as little as \$25 per month if funded through a direct deposit plan or payroll deduction. CollegeChoice CD does not charge any application, contribution, or annual maintenance fees.²

MYTH 3. ONLY A PARENT CAN OPEN AN ACCOUNT AND/OR CONTRIBUTE.

FACT: CollegeChoice CD makes it easy for an account to be opened online by parents, aunts, uncles, friends, etc.³ An account owner can also open an account towards their own college education. Family and friends can also give the gift of education to an established account by visiting www.collegechoicecd.com.

MYTH 4. MY INCOME IS TOO HIGH TO CONTRIBUTE.

FACT: There are no income limits, making it possible for anyone to contribute regardless of their income.

MYTH 5. SAVING WILL SEVERELY REDUCE FINANCIAL AID ELIGIBILITY AND THE RANGE OF SCHOOLS THAT CAN BE ATTENDED.

FACT: Compared to other types of savings accounts, 529s are generally considered parental assets for financial aid purposes under the commonly used federal formula; making the impact on aid significantly less than if assets belonged to the child. Also, the money accumulated in a 529 can be used for qualified education expenses at any accredited schools (postsecondary college, university or vocational school) that is eligible to participate in student aid programs administered by the U.S. Department of Education, in the U.S. or abroad.

MYTH 6. MY CHILD IS IN MIDDLE SCHOOL AND/OR HIGH SCHOOL. IT'S TOO LATE TO START SAVING.

FACT: It's never too late to save! Recent research shows having a savings account earmarked for college, increases the likelihood of the child attending college.⁴ CollegeChoice CD offers tax benefits, FDIC-insured CD options and an easy enrollment process with payroll deduction. Remember, money saved today is money you don't have to borrow later.

www.collegechoicecd.com

Tel: 1.888.913.2885 | Monday-Friday,
9 a.m. - 8 p.m. ET

CollegeChoice CD
529 SAVINGS PLAN

1. The Federal Deposit Insurance Corporation (FDIC) generally insures, with respect to each FDIC-insured institution, deposit accounts that are held in the same right and capacity up to the maximum amount set by federal law, currently \$250,000. An account owner's interest in the insurable balance is insured by the FDIC on a pass-through basis, together with any other deposit accounts the account owner holds at College Savings Bank, up to the maximum amount. FDIC deposit insurance is backed by the full faith and credit of the U.S. Government.
2. Certain service fees apply. Please refer to the CollegeChoice CD Disclosure Statement for additional information.
3. You must be a U.S. citizen or resident alien, have a Social Security number or Tax identification number, and have a permanent U.S. address (not a P.O. Box).
4. Source: William Elliott, Hyun-a Song, Ilung Nam, Small-dollar children's savings accounts and children's college outcomes by income level, Children and Youth Services Review, Volume 35, Issue 3, March 2013